

Otsego County Non-Emergency Transportation Program

SECTION 1915(b)(4) of the Social Security Act

I. INTRODUCTION

Please provide a short narrative description, in one page or less, of your program, the background to your program and any other information relating to your request for a Medicaid transportation waiver.

The New York State Department of Health (Department) is requesting approval by the Secretary of Health and Human Services for a Section **1915(b)(4)** Medical Assistance waiver for the Otsego County Department of Social Services (DSS). This proposed waiver, named the Otsego County Non-Emergency Transportation Program, is necessary to allow the State the flexibility to arrange for and assure necessary transportation in the most cost-effective manner based on the demographics and transportation resources in Otsego County.

New York State has great geographic diversity, from the very urban New York City (NYC) to the very rural North Country near the Canadian border. Additionally, the availability of transportation providers varies greatly from the intricate subway system in NYC to the use of rural buses in less populated areas. The Section **1915(b)(4)** transportation waiver provides the local department of social services (LDSS, county, district) the flexibility to use the most **efficient** and cost-effective means of transporting Medicaid recipients to **medically** necessary care and services, based upon the resources and demographics **in their particular** counties.

The purpose of the Otsego County Non-Emergency Transportation Initiative is to provide this alternative coordination of non-emergency transportation for maximum efficiency and cost-effectiveness without sacrificing the quality of service delivery.

Description of the Administration of New York State Medicaid Transportation

The Department, the single state Medicaid agency, has divided the State into 58 local social services districts (each county in the State is a district, except for the five counties encompassed by the City of New York, which as a group is one district). Each district has been delegated by the

Department to administer its own medical transportation program. Under this authority, the district:

1. Arranges for and has available all modes of transportation; this includes arrangements with transportation providers in the area; and
2. Authorizes payment for the individual transports which the district deems appropriate and necessary.

Delegation to the LDSS provides the most efficient management, since the district has direct knowledge of the transportation needs of recipients living in the district and the available transportation network. Each district shares the costs of Medical Assistance. For transportation, the county LDSS share is 25%. Districts administer their transportation program in strict accordance with Department regulation and policy.

The Department requires each district to submit a detailed plan to the Department outlining:

1. How the district will assure necessary transportation for all modes of transportation;
2. The district's prior authorization process; and,
3. The complaint procedure in place for recipients.

This plan, called the district's Title XIX Medical Transportation Plan, is reviewed and approved by the Department. Any changes in the way the district administers its transportation program must be submitted to the Department for approval. Once approved, the district must amend the district transportation plan.

The Department retains sole authority to approve the reimbursement amounts established by the district for reimbursement of transportation expenditures. The LDSS submits rate requests to the Department. The Department compares the rate request to like counties. If the rate is within the range of comparative counties, the rate is approved. If not, the Department will deny the request but suggest alternate rates that are acceptable. If this alternative is acceptable to the LDSS, the Department will approve this modification and amend the LDSS plan.

The Department provides policy guidance to all districts and works with district staff to improve the district's transportation program.

Waiver Program Intent

The intent of the Otsego County **DSS** waiver proposal is to solicit a transportation provider (coordinator) who would either deliver, or subcontract with other transportation providers to deliver, all necessary non-emergency transportation for that district at a flat monthly reimbursement amount. The necessity of this coordination is crucial to Otsego County because of its rural location, the relative number of transportation providers, as well as the unpredictable winter snow and road conditions.

The Otsego County Non-Emergency Transportation Initiative looks at actual historical county expenditures and solicits bids for a coordinator to do the non-emergency transportation and coordination for at least **5%** below the costs they expect to incur under a fee-for-service arrangement.

Regardless of the actual number of transports delivered, the district will pay the coordinator the same monthly amount agreed upon under the contract.

The district refers recipients who are in need of transportation to medically necessary care and services to the transportation coordinator. The coordinator, in turn, achieves efficiencies by establishing fixed routes and grouping transports to medical appointments. The coordinator also uses public transportation.

When feasible or necessary, the coordinator will subcontract with another provider, such as an ambulance provider, to deliver appropriate **non-emergency** transportation. However, the coordinator will not be required to subcontract with every transportation provider who wishes to be a subcontractee.

Under this method, the coordinator is the only participating **non-emergency** Medicaid transportation provider in the district. Recipients who require transportation services to medically necessary care and services must use the coordinator for their transportation needs. Even though there may be other transportation providers available in the community, no Medicaid reimbursement will be made directly to these other transportation providers.

Recipients will not have the freedom to choose any transportation provider, even those providers who subcontract with the coordinator. It will be the **coordinator's** decision how the recipient will be transported to medically necessary care and services. Transportation will be provided in the most efficient and cost-effective manner.

The coordinator will be required to follow the regulations and policy of the Department as they pertain to transportation services, and must compel all subcontractees to comply with those same regulations and policy. The district will monitor the performance of the coordinator to ensure compliance with regulation and policy.

Recipients will maintain their right to a Department conference and Fair Hearing regarding any modification or denial of one's request for transportation services.

Payments to a coordinator may be made as a program expenditure, and will be eligible for federal financial participation at the medical services rate.

Waiver Program Justification

This waiver is being requested to allow Otsego County **DSS** continued flexibility in arranging for cost-effective transportation services while fulfilling the federal requirement at Part **42 CFR 431.53** that the State "...will assure necessary transportation for recipients to and from providers." Coordinated transportation will result in necessary transportation services being delivered to recipients at a savings of 5% or more from expenditures expected to be incurred under a fee-for-service arrangement.

Other districts have achieved successful cost savings using similar cost-effective approaches to provide transportation. For example, in some districts, the coordinator of waiver transportation has become the county transit authority, thereby using the public bus system to more economically transport Medicaid and non-Medicaid residents along the same, well-traveled routes. Employment programs, for example, are able to use the coordination approach for transportation of employable adults to job sites. The joint use of transportation services allows local government entities to spend scarce financial resources wisely.

This request also furthers the shared goal of the Department of Health and Human Services and the Federal Transit Administration to coordinate human services transportation. This request allows a district greater flexibility in coordinating its Medicaid transportation services with other human service agencies.

II. GENERAL DESCRIPTION OF THE WAIVER PROGRAM

- A.** The Department requests a waiver for the New York Non-Emergency Transportation Program under the authority of Section 1915(b)(4) of the Social Security Act. The waiver program will be administered directly by staff of Otsego County DSS, with oversight by the Department, the single state Medicaid agency.
- B. Effective Dates:** Upon a review of district transportation programs statewide, the Department discovered this initiative has not received formal approval. This initiative was first implemented in mid-1995. The Department is seeking waiver approval now, to December 2004.

C. The waiver program is called the:

Otsego County Non-Emergency Transportation Program.

D. Geographical Areas of the Waiver Program:

The waiver will be implemented in the following areas of the State:

- (1) _____ Statewide
- (2) _____X_____ Other-than-Statewide

E. State Contact:

Timothy Perry-Coon, telephone number (518) 473-5533

E tip03@h_____

- F. Statutory Authority:** The State's waiver program is authorized under Section 1915(b)(4) of the Social Security Act under which the State restricts the provider from or through whom a recipient can obtain medical care.

The Department requests the approval of a waiver for implementation of specific transportation programs in accordance with the terms and conditions specified under the provisions of Section 1915(b)(4) of Title XIX of the Social Security Act. Approval of this waiver request will allow the State to restrict recipients who are the fiscal responsibility of Otsego County DSS to specific transportation providers.

A Section 1915(b)(4) waiver is being requested so that Otsego County DSS may selectively contract with a single transportation coordinator.

As stated in Section 1915(b)(4), a coordinator or group of providers shall “...meet, accept, and comply with the reimbursement, quality and utilization standards under the State plan...”

The coordinator will be selected on the basis of “...demonstrated effectiveness and efficiency...” in providing such services. By demonstrating effectiveness and efficiency, the State refers to the coordinator’s ability to deliver necessary transportation services to Medicaid recipients while reducing costs or slowing the rate of cost increases by at least five percent (5%).

G. Relying upon the authority of the above section(s), the State would like a waiver of the following Sections of 1902 of the Act:

1. Yes **Section 1902(a)(1)** - Statewideness--This section of the Act requires a Medicaid State plan to be in effect in all political subdivisions of the State.

This waiver program is not available throughout the State.

2. Yes **Section 1902(a)(10)(B)** - Comparability of Services-- This section of the Act requires all services for categorically needy individuals to be equal in amount, duration, and scope.

The Department intends to allow Otsego County DSS to arrange for transportation services, which may differ in scope from other districts. For example, recipients may be required to travel with a group of individuals by van whereas another district will allow a recipient in a similar situation an individual taxi ride.

However, Otsego County DSS will assure that transportation is adequate and appropriate for the needs of each passenger.

In this waiver, the appropriate mode of transportation will be available for each recipient.

3. Yes **Section 1902(a)(23)** - Freedom of Choice—This section of the Act requires Medicaid State plans to permit all

individuals eligible for Medicaid to obtain medical assistance from any qualified provider in the State.

Under this waiver, the choice of providers ~~is~~ restricted. Individuals in this waiver are required to receive transportation services from selected providers. The Department and LDSS will instruct recipients on how to access the single coordinator responsible to deliver transportation for medically necessary care and services. The recipients' freedom to choose their transportation provider will be limited accordingly.

Such limitation will not apply to emergency transportation services and will not impair access to services of adequate quality when medically necessary.

Please note: This waiver will not prevent the recipient from receiving necessary transportation services. Under the waiver, the appropriate mode of transportation will be available.

H. Recipient Figures: The Average Monthly Medicaid Enrollees for Otsego County, for Federal Fiscal Year 2000, is 4,964. (Source: On-line SURS Information Retrieval System, New York State Department of Health, Office of Medicaid Management.)

I. Waiver Populations: The waiver is limited to the following target groups of recipients. Check all items that apply:

1. Yes AFDC - Aid to Families with Dependent Children.
2. Yes AFDC-Related
3. Yes SSI - Supplemental Security Income and SSI-related.
4. Yes Other – All remaining groups of recipients.

This proposal will affect all Medicaid recipients in need of **fee-for-service** non-emergency medical transportation requiring medically necessary care and services.

For some Medicaid services offered throughout the State, the costs of transportation for a recipient to and from that particular service are included in the rate reimbursed to the service provider. These transportation services will not be affected by this proposal.

This proposal will not cover any emergency ambulance transportation. Throughout the State, a Medicaid recipient can request immediate, emergency ambulance transportation to a hospital emergency room.

- J. Distance/Travel Times:** Please define your access standards for distance/travel times for recipients to receive services.

Under normal circumstances (at least 24 hours notice), the coordinator will organize all transportation trips to ensure the greatest level of efficiency. Riders who live or are traveling to geographically similar locations will be grouped together. All travel time will be reasonable and appropriate, with most in-district travel being less than one hour. Transportation riding time for trips outside the district will be reasonable in length, considering both pickup and destination locations. Pickup and departure windows will be within 20 minutes of scheduled pickup time for those recipients living in one of the district's cities and villages, and within 30 minutes of scheduled pickup time for those living in the outlying areas.

- K. Independent Assessment:** The State will arrange for an Independent Assessment of the cost-effectiveness of the waiver and its impact on recipient access to care of adequate quality. This assessment will be submitted to CMS at least six months prior to the end of the current approved waiver period.

III. PROGRAM IMPACT

In this section, please provide information on (a) affected recipients, (b) services, and (c) waiver providers.

A. Affected Recipients

All categories of Medicaid recipients may participate in the described transportation program.

Recipients who will be covered under the waiver will either:

1. Arrange and pay for their own transportation at no cost to the Medicaid program; or
2. Choose to be transported under arrangement of the coordinator being used by Otsego County DSS.

Recipients are generally expected to arrange and pay for their own transportation services, the same way they would for other services in their daily lives. When recipients cannot arrange for their own transportation to medically necessary care and services, the Department will arrange and pay for transportation services in order to eliminate this barrier and provide accessibility.

Recipients who are unable to arrange and pay for their own transportation services will be required to use the transportation coordinator.

1. Notification Process: Please explain in detail the process through which recipients will be notified of the waiver program provisions.

Otsego County DSS has developed a written explanation of the new system, outlining procedures to be followed, and have informed all users of transportation. Staff will also reinforce the new procedures verbally with all recipients as they request transportation service. See Appendix B, which includes the recipient notification letter and the Otsego Express Route Schedule.

2. Recipient's Choice of Providers. If more than one provider is selected per geographical area, please address the following points:

- (a) Will recipients be given the choice of selected providers? If so, how will they select a provider, and how will the provider be informed of the recipient's choice?

Recipients will not be able to choose an alternate transportation provider. The coordinator will identify the appropriate transportation provider and complete arrangements for the transportation service.

- (b) How will beneficiaries be counseled in their choice of waiver providers?

Not applicable.

- (c) How will the recipient notify the State of provider choice?

Not applicable.

- (d) Define the timeframes for recipients to choose a waiver provider.

Not applicable.

- (e) Will the recipients be auto-assigned to a waiver provider if they do not choose? Yes _____ No X N/A

3. Implementation Process

- (a) Will implementation occur all at once?

X Yes

- (b) Will there be accommodations for special-needs populations such as the disabled, etc.?

X Yes

The level of disability, as determined by the physician's authorization and upon review of the request, will determine the appropriate mode of transportation and the necessity of an attendant when the recipient is transported.

4. Education Materials: Please include all relevant recipient education materials, including the initial notification letter from the State. Also, check the items which will be provided to the recipients:

A notification letter has been developed, and is attached as Appendix B.

B. Services

1. Description of Services:

Please identify the Medicaid services which will be affected by the selective contracting process:

Services included under this waiver are non-emergency transportation services.

Emergency transportation services (i.e., immediate ambulance transportation to a hospital emergency room) are excluded.

C. Selection and Availability of Providers

1. Selection Criteria: Please describe the provider selection process, including the criteria used to select the providers under the waiver. These include quality and performance standards that the providers must meet.

Bids are sought through an RFP (request for proposal), developed by the Otsego County DSS and the local Planning Department. The New York State Department of Health and the Department of Transportation (DOT) give guidance and direction. The RFP is developed with strict adherence to all Department of Health and DOT regulations.

Otsego County's RFP states, "Proposals will be evaluated in the basis of qualitative factors and price. These qualitative factors will be used to evaluate the capability of the entity to deliver the service in accordance with the specifications. Cost will not be the sole factor in the County's decision."

The RFP requires the contractor to arrange, provide and coordinate all non-emergency medical transportation, as well as verify the recipient's Medicaid eligibility. Additional quality and performance standards are found in the Otsego County RFP, pages 4-9. These standards include but are not limited

to:

- Provide full-time transportation coordinator;
- Provide services from 6:00 a.m. to 6:00 p.m., and develop off-hours procedure;
- Provide safe vehicles that meet NYSDOT inspection and licensing requirements, child restraints, 2-way radio, air conditioning, interior smoke-free, comply with ADA standards, etc.;
- Provide drivers with necessary licenses, training, first aid, background checks, etc.;
- Comply with NYS Department of Motor Vehicles and NYSDOT requirements;
- Present proof of insurance coverage;
- Have pick-up windows of 20 minutes for demand response (that is, a 9:00 AM pick up needs to be ready from 8:50 AM to 9:10 AM); and,
- Have complaint procedure and "no show" policy.

Otsego County DSS will monitor the contract to guarantee cost-effectiveness. They will work with the contractor for future cost containment and savings. A copy of the RFP is included as Appendix A.

The coordinator will schedule the transportation to and from appointments. The coordinator will achieve efficiencies by establishing fixed routes and grouping transports to and from medical appointments.

When feasible or necessary, the coordinator will subcontract with another vendor to deliver appropriate non-emergency transportation. The coordinator will be required to negotiate in good faith with existing formal transportation providers in the area, but is not required to subcontract with each of them if agreements cannot be reached.

The coordinator will be the only participating non-emergency Medicaid transportation provider in the district. Medicaid recipients must receive prior approval for all non-emergency transportation. The coordinator must be used for their transportation needs, unless they are able to drive themselves or prevail upon family members for such transportation. The coordinator will deliver or subcontract for professional transportation services.

2. Program Requirements: Below is a description of provider

qualifications and requirements under the waiver. Providers must:

- a. Be Medicaid qualified providers and agree to comply with all pertinent Medicaid regulations and State plan standards regarding access to care and quality of service and meet general qualifications for enrollment as a Medicaid provider.

New York State License Requirements

The transportation coordinator is a bus company. This company is authorized by the DOT and complies with all requirements of the authority under which it is legally bound.

- b. Not refuse to provide services to a waiver participant or otherwise discriminate against a participant solely on the basis of age, sex, race, physical or mental handicap, national origin, or type of illness or condition, except when that illness or condition can be better treated by another provider type.

The Department requires that no transportation provider will discriminate against a participant solely on the basis of age, sex, race, physical or mental handicap, national origin, or type of illness or condition.

The contract between Otsego County DSS and the coordinator specifically covers nondiscrimination under Exhibit C, Section 13, "Standard Provisions."

Civil Rights adherence is a condition of participation in the Medicaid program. The county **and/or** the coordinator will investigate any complaints of discriminatory practice and refer to the State for appropriate action.

Monitoring Quality: All transportation providers are required to have a valid license and maintain minimum standards established by DOT. Additional standards are listed on pages 4-6 of Appendix A, "Request for Proposal: Otsego County Medicaid Transportation Coordinator."

The Department has established a formal line of communication with DOT. DOT informs the Department when a particular provider is out of compliance with the requirements of that agency. The Department then takes appropriate action. Page 2, Section C, page 6 of Appendix B states the requirements for compliance with all DMV and

DOT regulations.

Complaint Procedure Recipients

Recipients receive written material and counseling by the LDSS on how to access transportation services and what to do if they have a complaint.

When a client feels that he/she has a legitimate complaint, the coordinator will conduct as complete an investigation as possible, ascertain the validity of the complaint, and, if needed, follow-up with corrective action. Complaints will be logged and investigated by the coordinator if the complainant leaves their name, address and telephone number (if any). A client may, if not fully satisfied with the corrective action taken by the coordinator, file the complaint with the Otsego County DSS for further investigation. Final authority in determining the action taken in a complaint is with the Otsego County DSS. Recipients shall have full access to the Department's fair hearing process.

The coordinator will file at least quarterly with the Otsego County DSS a report setting forth all complaints received and the manner of disposition. In addition, the Department will look at complaint logs during site visits and on an ad hoc need-to-know basis.

Complaint Procedure: Coordinator

The coordinator and any subcontractors may file complaints about recipients with the Otsego County DSS when:

- Recipient behavior compromises safety;
- The coordinator suspects fraud; and,
- Any issue that is deemed transportation relevant with regard to recipient safety.

The complaint is filed with the Otsego County DSS. With the filing of the complaint, a complete investigation will be conducted by both the coordinator and the Otsego County DSS. Corrective action will be taken as needed.

Serious complaints regarding coordinator quality, made by either districts or recipients, are referred by the Department

to DOT for investigation and necessary action.

3. Reimbursement of Providers: Under this waiver, providers are reimbursed on the following basis:

_____ fee-for-service

 X capitated

IV. ACCESS TO CARE AND QUALITY OF SERVICES

- A. General: The beneficiary's access to quality medical services must at a minimum not be adversely affected by a 1915(b)(4) waiver program. A waiver must assure an adequate amount of services during reasonable time periods and within reasonable geographic distance from the residences of the individuals enrolled under the waiver. Furthermore, access to emergency services and family planning services must not be restricted.

All modes of transportation service will be available on a daily basis for Medicaid recipients. Transportation will be available ~~to/from~~ all medically necessary care and services covered under the Medicaid Program, including emergency and family planning services.

The recipient's access to medically necessary care and services will not be adversely affected. Recipient transportation services have improved access to care and services by:

- creating a single telephone contact number for transportation requests,
- educating recipients on how to receive the appropriate mode of transportation,
- improving the availability of public transportation, and
- allowing county staff time for other necessary activities.

This waiver will not in any way restrict recipient access to emergency transportation services, i.e., ambulance transportation to a hospital emergency room. Emergency ambulance transportation is accessed when a recipient or other individual calls local emergency services and requests the assistance of ambulance personnel. Transportation is provided immediately. No inquiry as to Medicaid or other insurance eligibility is made until the care of the patient is transferred to emergency room personnel.

B. Monitoring Access:

1. Service Access Areas: Please explain in detail the State's plans to monitor and improve the following areas of service access:
 - a. time and distance
 - b. waiting times to obtain services
 - c. beneficiary knowledge of how to appropriately access waiver services

In this waiver, a coordinated process requires all recipients to call a central telephone number. This insures control of all requests, enabling the coordinator to schedule transports comprehensively. The Department will verify that there is a central, toll-free number accessible to all recipients.

Under normal circumstances (at least 24 hours notice), the coordinator will organize all transportation trips to ensure the greatest level of efficiency. Riders who live or are traveling to geographically similar locations will be grouped together. All travel time will be reasonable and appropriate, with most in-district travel being less than one hour. Transportation riding time for trips outside the county will be reasonable in length, considering both pickup and destination locations.

Transportation pickup and departure window will be within 20 minutes of scheduled pickup time for those recipients living in one of the district's cities and villages, and within 30 minutes of scheduled pickup time for those living in outlying areas. The Department will insure that this requirement is included in the **contract/agreement** with the coordinator. Further, the Department will inquire about any complaints recipients have lodged.

Recipients receive initial counseling and written notice on how to request access appropriate transportation services at the Otsego County DSS. The recipient is supported and additional counseling offered by the coordinator. One of the benefits of this waiver initiative is the continual reinforcement given by the coordinator to assure recipients dependable access to medically necessary care and services personalized for that individual recipient.

2. Procedure for Monitoring: *Beneficiary access to care will be monitored during the waiver period by the State as indicated below.*

The Department will perform an initial site visit to determine the program is running without problems. A second site visit will be made to this district within six months of approval. These visits will be recorded, and findings will be made available upon request. Any deficiencies will be noted, and the district will be instructed on corrective actions. Follow-up to assure corrective measures have been put in place will be done by the Department.

Complaints will be reviewed by the Department at the time of the site visit, and on an ad hoc need-to-know basis. Refer to Section III. C. 2. b. regarding the **recipient/coordinator** complaint process.

C. Monitoring Quality of Services: Please explain in detail the State's plans to monitor and assure quality of services under the waiver program. Please describe how the State will monitor the following:

1. Complaints, grievance and appeals system.

The district receives reports from the coordinator with detailed information about riders and trips.

The district will receive reports containing information about any rider complaints and resolution.

The district will track the number of fair hearing requests received regarding medical transportation, indicating both **issue(s)** involved and disposition of the fair hearings.

These reports will be reviewed at the time of the site visit, and as needed by the Department.

The district will schedule periodic meetings with the coordinator to discuss issues of common concern.

Complaints:

Complaints made by recipients are reviewed by the district. A log of recipient complaints with resolution will be maintained. The Department will review these complaints at the time of the site visit. The Department will also request information on an ad hoc need-to-know basis. Additional information can be found in

Section **III. C. 2. b.** regarding the **recipient/coordinator** complaint process.

Grievance Process:

Recipients will be instructed to submit complaints to the coordinator for resolution. If unresolved, the recipient may elect to make a complaint, verbally or in writing to the district.

The district staff person will seek resolution of the problem. If unresolved, the recipient retains the right to a fair hearing.

Appeals System:

Waiver recipients will be entitled to fair hearings. The State regulations governing such hearings appear at Part **18** of the New **York Code** of Rules and Regulations (NYCRR) **358-3** et seq; such regulations wholly conform to the requirements of **42 C.F.R. 431.200** et seq.

Recipients will not be able to challenge a district's decision to propose and implement any of the specific waiver models described above. This decision is the prerogative of the district and the Department, and is not hearable.

The Department will monitor districts to insure these rights are available to recipients.

2. State Intervention: If a problem is identified regarding access to care and quality of services problems, the State will intervene as noted below (please indicate which of the following the State utilizes.)

- (a) ☒ Education and informal mailing
- (b) ☒ Telephone and/or mail inquiries and follow-up
- (c) ☒ Request that the provider respond to identified problems
- (d) ☒ Referral to program staff for further investigation
- (e) ☒ Corrective action plan, as necessary

The Department will use any and all measures necessary to assure quality service delivery for Medicaid recipients to medically necessary care and services.

V. COST-EFFECTIVENESS

- A. General:** To demonstrate cost-effectiveness, a waiver request must show that the cost of the waiver program will not exceed what Medicaid's cost would have been in the absence of the waiver. The cost-effectiveness section provides a methodology to demonstrate that the waiver program will be less costly than what costs would be without the waiver.

In the Evaluation of the New York State Non-Emergency Medicaid Transportation Waiver, submitted to CMS in September **2001**, the initiatives resulted in a gross savings of **\$7,608,131** over the three years evaluated.

Otsego County's transportation initiative uses the same coordination model as those districts which were evaluated. As shown below, the rate of growth in Otsego County transportation expenses has been slower than the general percentage increase of New York State Medicaid expenditures, and is less than those expenditures in socioeconomically similar districts.

- B. Rationale for Expected Cost Savings:** Please explain the State's rationale for expected cost reductions under the waiver program. Include all assumptions made regarding changes due to inflation, utilization rates, State Plan payment rates, and other factors.

As we discussed, Otsego County DSS began their coordinated transportation initiative in 1994. The Department used the rate of general Medicaid spending, and applied this to Otsego County's actual and targeted expenditures, and calculated savings. As you will note in Appendix C, Otsego County DSS has saved more than the 5% requested in the waiver requirements.

Additionally, the Department compared the Calendar Year **2001** cost of transportation services incurred by two other districts (Fulton and Wayne), which the Department believes are socioeconomically similar to Otsego County, to the current cost of the Otsego County waiver. This comparison, included in Appendix C resulted in a favorable view of the Otsego County transportation initiative.

C. Program Savings

- What is the rationale for savings (i.e., how is the district able to reduce projected expenditures by at least 5% from current expenditures while assuring transportation to necessary medical care and services)?

It has been the Department's experience with current initiatives that cost efficiencies are available when a transportation expert coordinates transportation. These efficiencies are the result of:

- group rides;
- routing of trips; and
- utilization of the most appropriate mode of transportation, particularly public transit.

The cost savings will be realized through the provision of coordinated, efficient, and cost-effective management of medical transportation services. This will reduce both overall transportation costs and administrative time for Otsego County DSS.

D. Format for Showing Savings Summary

1. The following schedule shows the calculation of the State's program benefit costs under the waiver (if these are not applicable to the State's methodology, please attach the calculations).

Please see Appendix C, "**Analysis** of Otsego County Waiver Cost Savings."

PART II

REQUESTS FOR PROPOSAL

MANAGEMENT COORDINATION AND PROVISION OF MEDICAID NON-EMERGENCY TRANSPORTATION SERVICES